THE HON'BLE SRI JUSTICE C.V.RAMULU

W.P.Nos.11112 & 11191 of 2005

COMMON ORDER:

In these two Writ Petitions, common questions of fact and law arise for consideration, therefore, they are being disposed of by this common order.

The only question that arises for consideration in these writ petitions is whether the petitioners can maintain the writ petitions challenging the proceedings dated 16.4.2005 issued by the second respondent to wind up the fourth respondent-Federation.

Admittedly, the petitioners are the societies registered under Section 8 of the A.P. Cooperative Societies Act, 1964 (for short 'the Act'). The petitioners are Joint Farming Cooperative Societies and they are members of fifth respondent-Federation i.e. District Level Federation. It appears there is a State Level Federation called A.P. State Cooperative Joint Farming Society Federation Ltd., for which District Federation of Cooperative Joint Farming Society in each district is a constituent. When the State Level Federation was not functioning properly, a Chartered Accountant and an Enquiry Officer was appointed to conduct an enquiry into the affairs of A.P. State Cooperative Labour Contract Society Federation Ltd., (APLF) under section 51 of the Act by the Registrar of Cooperative Societies. In the said enquiry, it was revealed that the affairs of the State Federation are not healthy. The society's loan recovery is quite unsatisfactory and as on 31.3.2004 as against the demand of Rs.3.28 crores, the recovery has been only Rs.2.36 lakhs. Against interest dues of Rs.2.88

crores, collection has been only Rs.6.23 lakhs. Notices were issued to the State Federation calling for explanation in this regard. In spite of receiving notices, the State Federation did not give any explanation. Therefore, after considering the entire material made available on record, the Registrar of Cooperative Societies passed the impugned order dated 16.4.2005 under Section 64(1) of the Act ordering for winding up of the society.

It is interesting to notice that neither the members of the State Federation nor the office bearers of the District Federations have filed any writ petition or taken up any proceedings questioning the impugned proceedings. The petitioners, who claims to be members of the fifth respondent-Federation and interested parties, filed the present writ petitions contending that since winding up proceedings were issued under Section 64(1) of the Act, there is no Body existing for considering the allotment of funds to these societies, and the loans advanced to members are not being recovered, and the interests of the petitioners are being adversely affected and as such, the petitioners are entitled to challenge the impugned proceedings.

A detailed counter affidavit has been filed on behalf of second respondent-Registrar of Cooperative Societies stating that the fourth respondent was established under the provisions of the A.P. Cooperative Societies Act and the Rules made thereunder and is a separate legal entity. The impugned order has been passed after following due procedure as required under law, therefore the writ petition is misconceived and liable to be dismissed.

The learned counsel for respondents submitted that the

petitioners are neither shareholders, nor creditors nor employees of the fourth respondent society, nor do they have any interest in the fourth respondent society. Hence, the petitioners have no locus standi to file the writ petition challenging the decision of the Registrar with regard to winding up of the fourth respondent society. Further, the President of second petitioner society who deposed to the averments in the affidavit on behalf of other petitioners has not filed any authorization in that behalf. I am in full agreement with the submissions made by the learned counsel for respondents.

The contention of the learned counsel for petitioners that the petitioners are interested parties and have got right to challenge the impugned proceedings cannot be countenanced. I am of the opinion that the petitioners have no locus standi to challenge the proceedings under Section 64(1) of the Act. The petitioners are neither interested parties nor the aggrieved parties. Maybe, the petitioners have remote interest in the existence and functioning of State Level Federation, however the writ petition cannot be entertained for the grievance of such nature. The writ petitions are devoid of merit and liable to be dismissed.

At this stage, the learned counsel for petitioners contended that in view of the impugned proceedings, there is no other agency to redress the grievances of the petitioner societies and similar societies and the petitioners are neither able to get any loans nor can they collect the loans advanced to its members or re-pay the loans already taken. In view of the same, the first respondent is directed to look into the matter and if necessary, make alternative arrangements for the purpose of sanctioning loans in favour of

members of the petitioner societies and similarly situated societies.

Subject to the above observations, the writ petition is dismissed. No order as to costs.

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C.V.RAMULU,
J

Date: 21.8.2006

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THE HON'BLE SRI JUSTICE C.V.RAMULU

21.8.2006

IN THE HIGH COURT OF JUDICATURE OF ANDHRA PRADESH AT HYDERABAD

THE HON'BLE SRI JUSTICE C.V.RAMULU

W.P.Nos.11112 & 11191 of 2005

Dated: 21st August, 2006

W.P.No.11112 of 2005

Between:

Balaji Joint Farming Coop. Society Ltd.,
rep. by its President U.Bitcha Naik & others.

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Petitioners

and

The Government of A.P., rep. by its
Secretary, Cooperative Department,
Secretariat Buildings, Hyderabad & others.

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Respondents

W.P.No.11191 of 2005

Between:

Vaddera Stone Cutting Labour Contract
Coop. Society Ltd., Domalpally village,
Nalgonda mandal and District, rep. by its
President R.Ramulu & others.

..

Petitioners

and

The Government of Andhra Pradesh,
rep. by its Secretary, Cooperative Department,
Secretariat Buildings, Hyderabad & others. ..
Respondents